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11 APR 1963

MEMORANDUM FOR: Deputy Comptroller

SUBJECT : Allotments and Assignments by Federal Employees of Their Pay

1. PURPOSE

This memorandum contains a discussion of granting allotments and assignments of pay to individuals employed by the Agency and recommends in paragraph 5, below, against any change in Agency procedures at this time for reasons as stated. (This memorandum does not cover emergency evacuation payments as this subject is treated as an independent problem.)

2. PROBLEM

Should this Agency extend to its employees, especially those paid from vouchered funds, the privileges authorized by Public Law 87-304, approved 26 September 1962 (75 Stat. 662) which provided, among other things, that Federal employees could allot portions of their net pay for specified purposes?

3. FACTS BEARING ON THE PROBLEM

- a. Under authority of Public Law 87-304, the Civil Service Commission issued procedures on allotments and assignments of pay as Sections 25.601 through 25.609 (21-331-332) of the Federal Personnel Manual. The State Department issued comparable procedures for employees abroad as Section 556 of the Foreign Affairs Manual.
- b. Generally, both procedures provide that allotments may be made for the following purposes:
  - (1) Support of relatives or dependents of the employee;
  - (2) Savings;
  - (3) Payment of commercial insurance premiums on the life of the allotter;
  - (4) Payment of U.S. Government or National Service Life Insurance;
  - (5) Any other purpose, not otherwise prohibited, when approved by the head of the department or his authorized representative.

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c. Allotments may NOT be made for the following purposes:

- (1) Payment of any indebtedness, except when the head of the Agency specifically provides otherwise; or,
- (2) Contributions to charities; or,
- (3) Payment of dues to civic, fraternal or other organizations.

d. In addition to allotments prohibited by paragraph 3c above, certain limitations are applicable to allotments as follows:

- (1) Allotments must be authorized in writing;
- (2) Allotments shall be disbursed on one of the employee's regular paydays;
- (3) Only one allotment is payable to the same allottee at the same time;
- (4) Allotments cannot exceed the net compensation due the allottee for a particular pay period;
- (5) [REDACTED]

(a) allotments will be made on a pay period basis only; (b) an allotment must run for four or more pay periods; (c) not more than three allotments will be permitted to run simultaneously for an employee.

e. The CSC has prescribed further that allotments by domestic employees can only be made when:

- (1) An employee is working on an assignment away from his regular post of duty when the assignment is expected to continue for three months or more; or  
(Underscoring supplied for emphasis.)
- (2) An employee is serving as an officer or a member of a crew on a vessel under the control of the U.S.

f. Under authority granted this Agency by Public Law 110, most of the purposes for which allotments may be permitted under Public Law 87-304, already have been extended by this Agency to individuals paid from confidential funds as follows:

- (1) Deposits to checking accounts in U.S. banks;
- (2) Payments to the Agency credit union (for either savings or loans);
- (3) Payments for Agency-sponsored insurance plans (GEHA).

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3. The regulations [REDACTED] 25X1C  
P.L. 87-304 are "permissive" in nature and are not mandatory requirements that all Federal employees "shall" be granted the right of making allotments of their pay.

#### 4. DISCUSSION

- a. Under authority granted to this Agency by P.L. 110, the privilege of making some allotments of pay has been extended to individuals paid from confidential funds within cover and security limits. Such privileges are substantially equal to the "permissive" allotment authority of P.L. 87-304.
- b. There have been no problems raised from any source within the Agency which indicate that further allotments or assignments of pay are required or desired except for occasional questions by employees paid from vouchered funds who are required to perform extended temporary duty assignments.
- c. Any extension of allotments of pay by this Agency within the permissible limits would be complicated by cover and security factors concerned with the identification of the source of such disbursements made to unwitting recipients (relatives, banks or insurance companies.)
- d. Allotments of pay for individuals employed in the U.S. are permitted under CSC rules only for those individuals who are detailed away from their post of duty for 3 months or more. Any privilege of allotments of pay granted to such individuals on the basis of a detail away from their post would be attended by cover and security factors, especially for employees paid from vouchered funds. The only allotments of pay feasible to consider for Agency personnel are allotments to the Agency credit union and to the Agency-sponsored insurance plans.

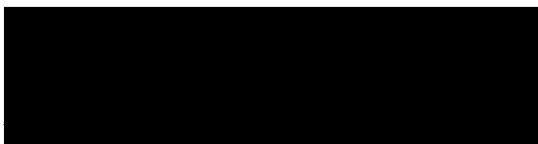
#### 5. RECOMMENDATIONS

- a. Allotments of pay by individuals employed by the Agency should be restricted to those allotments permitted by current Agency regulations except as recommended below.
- b. Individuals paid from vouchered funds who are detailed away from their permanent post of duty for extended temporary duty should be authorized to make allotments of their pay on a biweekly basis for

the purpose described below in extenuating circumstances if cover and security factors permit, subject to the approval of the Chief, Fiscal Division on a case basis:

- (1) Payments to the Agency credit union;
- (2) Payments to GEHA; and
- (3) Payments of their salary to their personal bank account.

- c. Until there is a greater need for permitting allotments of pay beyond those permitted by current Agency pay procedures, Agency regulations should not be revised.



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Chief, Technical Accounting Staff

CONCUR:

Chief/ADPD

Date

Chief/Fiscal Division

Date

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/s/

Chief/Finance Division

24 APR 1963  
Date

APPROVED:

Deputy Comptroller

Date

5/2/63

Orig. ret'd to C/TAS

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